

Stock Information

Stock Code ----- **777.HK**

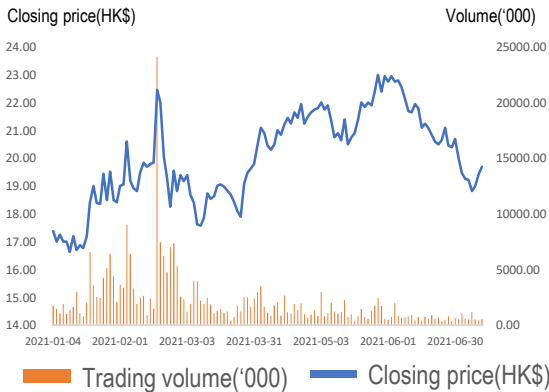
Stock Price ----- **HK\$19.26**
 (As at 16 July 2021)

52-week Stock Price Range --- **HK\$ 15.70-25.20**
 (As at 16 July 2021)

Market Cap ----- **HK\$ 10.72 billion**
 (As at 16 July 2021)

Issued Share Capital ----- **557 million shares**
 (As at 16 July 2021)

YTD share prices and trading volume in 2021



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About NetDragon

NetDragon Websoft Holdings Limited (HKSE: 0777) is a global leader in building internet communities with a long track record of developing and scaling multiple internet and mobile platforms that impact hundreds of millions of users, including previous establishments of China's first online gaming portal, 17173.com, and China's most influential smartphone app store platform, 91 Wireless.

Established in 1999, NetDragon is one of the most reputable and well-known online game developers in China with a history of successful game titles including Eudemons Online, Conquer Online, and Heroes Evolved. In recent years, NetDragon has also started to scale its online education business on the back of management's vision to create the largest global online learning community, and to bring the "classroom of the future" to every school around the world. For more information, please visit ir.netdragon.com.

Analyst Reports

Date	Firm	Rating	Target Price (HK\$)
Mar 2021	Macquarie	Outperform	46.00
Mar 2021	CCBI	Outperform	30.50
Mar 2021	GF Securities	Buy	29.90
Mar 2021	Haitong International	Outperform	28.00
Apr 2021	Southwest Securities	Buy	37.57
Apr 2021	Citic Securities	Buy	35.00
Apr 2021	BOCOM	Buy	32.00
Apr 2021	China Tonghai Securities	Buy	29.56
Apr 2021	Essence International	Buy	28.90
May 2021	Guoyuan International	Buy	29.60

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Corporate Achievements & Accolades

NetDragon Named “The Best TMT Company” at Golden Hong Kong Stocks Awards 2020

(6 January) NetDragon was named “The Best TMT Company” at the Fifth Golden Hong Kong Stock Awards Ceremony. The Award aims to recognize HK-listed TMT companies with healthy corporate governance structure, leading industry position, excellent operations, as well as sustainable and stable investment returns.

NetDragon Wins “The Best Digital Investor Relations Award” at the 4th China IR Excellence Awards Ceremony

(20 January) NetDragon won “The Best Digital Investor Relations Award” at the 2021 Listed Company Investor Relations Innovation Summit cum the 4th China IR Excellence Awards Ceremony, demonstrating the company's devotion to promoting innovation and efficiency in investor relations management.

NetDragon Demonstrates Digital Education Achievements at the 4th Digital China Summit

(25-26 April) As the exclusive special contribution brand partner of the summit, NetDragon has participated in the event and hosted the Digital Silk Road sub-forum for four consecutive years. During the summit, NetDragon shared its achievements in digital education and demonstrated more than 20 innovative digital education products and solutions such as teaching assistant robots, AR classes, NCET virtual experiments and 5G mobile smart classrooms.

Fujian's Digital Economy on People's Daily headline, NetDragon Leads the Accelerated Development of Digital Education

(23 May) As an exemplar in Fujian's digital economy, NetDragon's achievements were cited at the beginning of People Daily's front-page article “Fujian's Action to Lead the In-depth Adoption of Digital Economy” as a typical case of digital industrialization. This is also the third time recently that NetDragon was featured in People's Daily.

Growth Drivers

Education Business

- Growing traction of our unique country top-down model to drive country-wide adoption of our blended learning offerings in multiple countries (including Egypt, Thailand, Ghana, Malaysia and several others under discussion)
- Multi-pronged revenue model to drive exponential growth, with long-tail education content and service revenue coming from the country top-down adoption
- Growing global penetration of classroom interactive display technology, which will be a driver of our Promethean classroom solution revenue (Promethean is a global market leader in this business with distribution channels covering 105 countries around the world)
- Monetization of One-Stop Learning platform, which has expanded to-G penetration to nine provinces in China, including the provinces of Hubei, Henan and Shaanxi where it is selected as their respective Ministry of Education's official provincial education platforms
- Country-wide rollout and monetization of the primary and secondary school NCET virtual experiment teaching project through a distributor model following a successful pilot (The National Center for Educational Technology, or NCET, is a unit directly affiliated to the Chinese Ministry of Education)

Gaming Business

- Maximization of IP values by leveraging their current combined registered user base of over 700 million, expanding gaming portfolio under our flagship IPs with rejuvenation and diversification, as well as strengthening crossovers with other IPs
- Robust pipeline of five new games expected to be launched in 2021, including *Legend of Eudemons*, *Eudemons Mobile II*, *Under Oath*, *Neopets Match 3* and *Neopets Island Builders*
- Extension beyond RPG and MOBA into new game genres including casual and strategy games, based on our flagship IPs
- Overseas expansion of both our existing and new titles (our overseas revenue grew significantly in 2020 and we are expecting to launch more titles in overseas in 2021)



Gaming Business

Business Development



Heroes Evolved launches second round of IP crossover with *That Time I Got Reincarnated as a Slime*

(20 January) The second round of IP crossover between *Heroes Evolved* and *That Time I Got Reincarnated as a Slime* was launched. Three characters from the Japanese IP - Hakuro, Benimaru and the "Demon Lord" Milim Nava made debut in *Heroes Evolved*.



Eudemons Online and Eudemons Online Pocket Version cross over with *Godzilla vs. Kong*

(11 March) *Eudemons* crossed over with the epic movie *Godzilla vs. Kong*, which is produced by Legendary Pictures and Warner Bros. Pictures. *Eudemons'* classic cultivation system was applied to *Godzilla* and *Kong*.



Eudemons Online Pocket Version launches two new expansion packs

(17 March) *Eudemons Online Pocket Version* launched the expansion pack *Protean Eudemons* (千机幻灵) with more gameplays.

(18 June) The expansion pack *Splendid Landscape* (千里江山) was launched with a brand new relic system.



Under Oath starts closed beta testing

(20-30 May) *Under Oath*, exclusively distributed by Bilibili, started a new round of free closed beta testing on Android platform.



Legend of Eudemons under flagship IP Eudemons starts paid testing

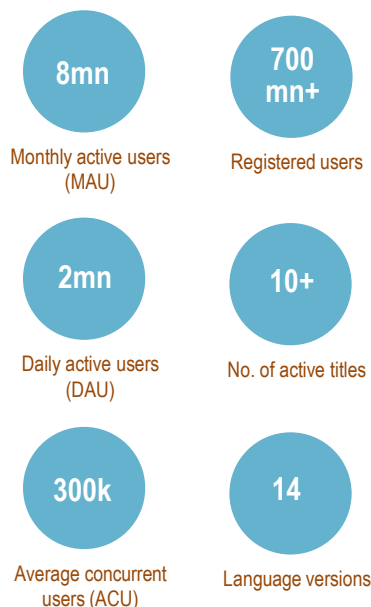
(7 May) *Legend of Eudemons*, a cross-platform RPG game, started paid testing on WeChat Mini Program and Huawei Quick Game platform.



Eudemons Mobile launches new expansion pack *Inspiration of Gods* (诸神之启)

(9 June) *Eudemons Mobile* launched new expansion pack *Inspiration of Gods* (诸神之启). After completing certain missions, players would apotheosize and keep leveling up with the "divine" experience they've gained.

Operation Overview



New Games Pipeline



*Data as at 2021 Q1

* Already gained approval from regulator

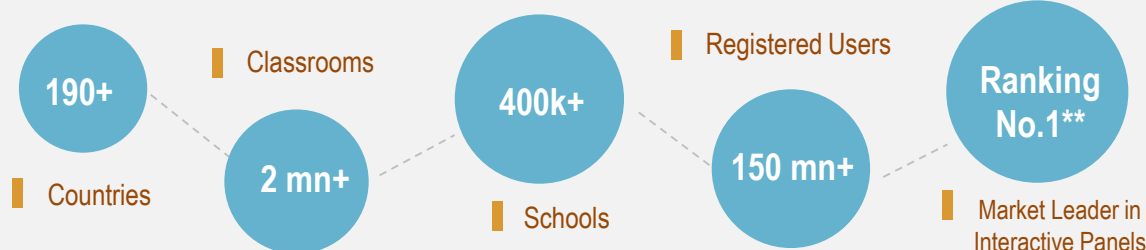


Education Business

Operation Overview

*Data as at March 2021

**Global K-12 market, excluding China, according to Futuresource 2021Q1 report



Business Development

NetDragon's Smart Classroom Solution Chosen by Malaysia's Sarawak Ministry of Education for a Statewide Project

(7 January) NetDragon announced the approval of the first phase statewide project to adopt NetDragon's Education Technology Smart Classroom Solution by Minister Datuk Seri Michael Manyin of Malaysia's Sarawak Education, Science and Technological Research Ministry.

NetDragon Co-launches E-Resource Platform for Global Teachers with UNESCO IITE

(15 March) NetDragon announced that the Company will co-launch an E-Resource platform for teachers around the globe with UNESCO Institute for Information Technologies in Education (UNESCO IITE).

NetDragon's Huayu Enters into Strategic Cooperation with Chinese Ministry of Education's National Center for Educational Technology

(13 April) NetDragon's education subsidiary Huayu has signed a strategic cooperation framework agreement with National Center for Educational Technology. The two parties will work hand-in-hand to create a new model of smart education based on emerging technologies such as virtual reality (VR), artificial intelligence (AI) and big data, and explore the development of education informatization.

NetDragon and China Unicom Fujian Branch Co-launch Demonstration Project on "5G+Smart Education" Application

(25 April) NetDragon has joined hands with the Fujian branch of China United Network Communications Limited to launch the "5G+Smart Education" pilot project. Based on technologies such as 5G, VR, AR and ultra-high-definition video, it aims to provide an exemplar of "5G+Smart Education" application with the participation of over hundreds of schools, thousands of classes and learners. It targets to complete the construction of 5G smart education infrastructure in 100 schools in Fujian Province.

NetDragon Reaches Strategic Cooperation with Autodesk (China) To Explore New Path of Digital Education

(9 June) NetDragon has signed a strategic MOU with Autodesk Software (China) Limited. Both parties intend to establish a long-term communication mechanism through utilizing their core technology advantages, and work together to promote the application of digital technology in education. Both parties also plan to jointly participate in the UNESCO's charity activities in digital education and continuously deepen cooperation in education philanthropy.

Promethean Continues Ongoing Streak as Market Leaders for Interactive Flat Panel Displays in US and EMEA

NetDragon's flagship classroom technology subsidiary Promethean® continues to be a global leader for interactive display technology, according to Futuresource Consulting's Q1 2021 report on World Interactive Displays. Interactive display sales in Q1 had a year-over-year increase of 74% in the industry, making it by far the largest Q1 to date. Excluding China, Promethean was the leading brand with a 23.3% share of the total global interactive flat panel display for primary and secondary education market over the preceding twelve months as of 31 March 2021. In that same time period, Promethean gained market share in major markets including the US, UK, and Germany.





NetDragon helps with the launching of Serbia's National Teacher Training Program

(17 June) NetDragon has signed a MOU with the Teacher Education Faculty, University of Belgrade and the Institute for Improvement of Education in Serbia. Along with the two partners, the Company will promote the "Serbia National Teacher Training Program". The first phase plans to offer education informatization training for 4,000 teachers across Serbia in 6 months by online and offline education.

NetDragon Reaches Strategic Cooperation with TCL to Build Global Education Ecosystem

(18 June) NetDragon has signed a strategic cooperation agreement with TCL. Both parties will jointly design and develop cutting-edge education products to meet the needs for edtech applications around the world. The products include interactive panels, whiteboards, Chromebook, laptops, mobiles, smart watches and AR/VR equipment for students.

Robust Pipeline for Country-level Roll-out

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Egypt
 - Working closely with Egypt's Ministry of Education to deliver products within the MOU framework, which is expected to result in a multi-pronged revenue model, including sale of hardware, software revenue in the form of SaaS, subscription or licensing, as well as long-tail revenue in the form of contents and services
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Thailand
 - NetDragon's education software products and online learning platform were selected by Ministry of Education Thailand for trial. Upon its successful completion, they are expected to roll out to schools nationwide.
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Malaysia
 - NetDragon's smart classroom solution was chosen by Malaysia's Sarawak Ministry of Education for a statewide project
 - Upon successful completion of the first phase of the project, it will be extended to more schools throughout Sarawak
- 
Ghana
 - Edmodo was selected by Ghana's Ministry of Education as the only official online learning platform for the country's K12 education system
 - It will reach over 30,000 public and private schools in Ghana, reaching 9.3 million students and 450,000 teachers in the country